



DEPARTMENT OF CONSERVATION
STATE OF CALIFORNIA

December 1, 2003

NOTICE

DIVISION OF
RECYCLING

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TO: Recyclers, Processors and Curbside Operators

SUBJECT: AB 28

Please note important information summarizing recent changes in the law that affect your business operations. These changes are a result of the enactment of AB 28 (Chapter 753, Statutes of 2003), the text of which is posted on the Department of Conservation's website. The Division of Recycling (Division) will be issuing additional notices to specific program participant groups advising of important program changes, and will also be posting comprehensive information to its website at: <http://www.consrv.ca.gov>. ***All changes listed below become effective January 1, 2004, unless noted otherwise.***

General Information

- **California Redemption Value (CRV)** will increase to 4¢ for beverage containers less than 24 ounces, and 8¢ for containers 24 ounces or greater.
- **Commingled and segregated rates** paid by processors and recyclers will change as a result of the increase in CRV. A separate notice which includes the new rates has been mailed and is also posted to the website. If you have questions, please contact Chris Goetzke at (916) 327-7596.
- **Container-per-pound rates** by material type are annually recalculated by the Division. The new rates are included in the same notice recently sent on commingled and segregated rates, and is also posted to the website. Please direct your questions to Chris Goetzke at (916) 327-7596.
- **Processing fees and processing payments** will also change and a separate notice will be issued in mid-December when calculations are finalized. Information on **processing fee rebates** will be included in this notice. Call Chuck Seidler at (916) 323-5778, if you have questions.

Recyclers/Processors and Curbside Operators

- **Signage and Logs/Receipts.** Because of the changes in CRV, recyclers and processors are required to change their posted price signage so that on January 1st their customers will be informed of the

new CRV rates. Preprinted Logs/Receipts must also reflect the new pricing. Contact Bob DaRosa for questions on signage, and Gene Inderkum for questions on Logs/Receipts. Both can be reached at (916) 323-3008.

- **Stockpiling.** Stockpiling by recyclers for purposes of defrauding the State will be investigated and prosecuted to the fullest extent of the law. A separate notice will be issued which will include information about asset forfeiture (SB 968) and a new hotline to report illegal redemption of beverage containers. Please contact Dennis Stone of the Audits and Investigations Branch at (916) 323-6048, if you have questions.
- **DR-6s.** Because of the difference in value of redeemed containers on January 1, recyclers should separate, on their DR-6s, their claims for materials received through December 31 from those received on and after January 1. When the change in the refund value rate overlaps a receipt and log period, it is recommended that a DR-6 be filled out for the period of the old rate and another DR-6 be filled out for the period of the new rate. Failure to separate the weights may delay your payment and the Division will only reimburse payment at the lower rate for the entire reporting period. Contact Gene Inderkum in the Certification Services Branch at 323-3008, if you need help on how to claim CRV on loads before and after the first of the year.
- The **quality glass incentive payment** paid to the entity that color-sorts curbside glass will increase from \$25 per ton to \$30. Contact Vicky Castle at (916) 445-0680, if you have questions.
- **Supplemental processing payment.** Beginning July 1, 2004, a supplemental processing payment will be paid to recyclers for one year for glass, PET, and HDPE plastic containers. The method by which the Division calculates the supplemental payment is detailed in Section 14575.5 of AB 28. Please contact Chuck Seidler at (916) 323-5778, if you have questions.
- **Curbside commingled rate.** AB 28 permits the Division to establish curbside commingled rates for both bimetal and combined plastic resins, #3-7. To better understand the complications and complexities of the mix of curbside recyclables, the Division will be creating a task force to gather information to address the issue. Please call Chris Goetzke at (916) 327-7596, if you have questions.
- **Curbside supplemental payment.** The supplemental payment paid to operators of curbside programs and neighborhood dropoff programs will be based on volume of beverage containers collected on a calendar year basis rather than a fiscal year basis. Payments will be made by June 30 following the end of each calendar year. Contact Chester Gragg at (916) 324-1238, if you have questions.
- **Disposal of postfilled beverage containers.** Processors are required to obtain approval from the Division before landfilling recycled beverage containers. Processors that have made an honest but unsuccessful effort to find markets for recycled beverage container materials must complete a rejection form and submit it to the Division of Recycling requesting permission to landfill the containers.

Convenience Zone Recyclers

The following changes take effect for **handling fee eligibility and payments**:

- annual handling fee appropriation increases from \$23.5 million to \$26.5 million
- monthly volume cap of 500,000 containers is eliminated
- the 60,000 container minimum for monthly handling fee eligibility now also includes a rolling average of 60,000 containers for the prior 12 months
- \$3 million will be available to pay eligible handling fee claims from May/June 2003 for which there were no funds available at the time

If you have questions about these new provisions, please contact the Industry Services Branch at 322-5689.

AB 28 provided for a three-year **Reverse Vending Machine (RVM) pilot program**, comprised of not more than 50 RVM sites, whose final selection is determined by the Division. The Division is required to report to the Legislature on July 1, 2007, on the effectiveness of the pilot program. An invitation to participate in this pilot program has already been mailed to eligible participants. Once the 50 sites have been selected, written permission will be required from the dealers of those sites in order for the recycling center to participate in the pilot program. If you have questions about this pilot program, call Bob DaRosa at (916) 323-3008.

Please check the Division's website frequently for new information about changes brought about by AB 28, including a "frequently asked questions" section. I hope this notice has been helpful, and we look forward to working with you to make the provisions of this new law a success.

Jim Ferguson
Assistant Director